

6. The area of the average right-of-way will be 3.63 acres (30 feet wide x 1 mile long).
7. The average cost of an historic right-of-way will be \$726 (\$200 x 3.63 acres).
8. The sale of historic rights-of-way to applicants will generate \$72,600 annually (100 rights-of-way x \$726/right-of-way) to the public school fund and other appropriate trust accounts.
9. No fiscal impact is anticipated from the other changes proposed in SB 31.
10. The DNRC administers land designated to 10 individual trusts. Revenues derived from easements must be deposited to the respective permanent trust.

FISCAL IMPACT:

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
<u>Expenditures:</u>		
Personal Services	5,000	5,000
 <u>Funding:</u>		
State Special Revenue (02)	5,000	5,000
 <u>Revenues:</u>		
State Special Revenue (02)	5,000	5,000
Other (09) Permanent School Trusts	<u>72,600</u>	<u>72,600</u>
TOTAL	\$77,600	\$77,600
 <u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
State Special Revenue (02)	0	0
Other (09)	\$72,600	\$72,600

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Filing for historic right-of-way by counties is voluntary. If counties seek historic rights-of-way, the estimated costs will be:

1. \$50 application fee x 50 applications = \$2,500 (statewide).
2. \$726 easement cost x 50 applications = \$36,300 (statewide).

LONG-RANGE IMPACTS:

1. Perfection of easements will grant legal access to private landowners resulting in improved marketability of title.
2. County governments will perfect legal easement across state land at a reduced cost.
3. The Department of Natural Resources and Conservation's ability to manage roads across state land will improve by the establishment of responsible parties for road use and maintenance.
4. Perfection of easements will grant legal right for the location of utility lines across state trust lands.

DEDICATION OF REVENUE:

- a) Are there persons or entities that benefit from this dedicated revenue that do not pay? (please explain)

Yes, the school trust beneficiaries. Revenues generated from any use of state school trust lands must be deposited to the credit of the respective trust. Users of the rights-of-way may not be directly paying the costs, but use the road or utility.

- b) What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund?

The beneficiary of the right-of-way easement pays for the state service provided. The application fees are directly related to the cost of processing an historic right-of-way. The deposit of right-of-way revenues is required by federal and state statute to go to the respective school trusts.

- c) Is the source of revenue relevant to current use of the funds and adequate to fund the program activity that is intended? Yes ___ No (if no, explain)

- d) Does the need for this state special revenue provision still exist? Yes ___ No (Explain)

- e) Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending? (Please Explain)

No. All expenditures and revenue deposits will go through the normal budgetary process.

- f) Does the dedicated revenue fulfill a continuing, legislatively recognized need? (Please Explain)

Yes. The funding of this short-term effort is needed to address historic rights-of way.

- g) How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please Explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?)

The dedicated revenue provision relates the revenue from the activity to the expenditures for that activity - processing right-of-way applications. If the program were general funded, this relation would not be apparent.